

**FINAL INVESTOR REPORT**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**For the Final Period ended 26 September 2015**

**This Final Investor Report covers the results for Mitchells & Butlers Retail Limited  
from 28 September 2014 to 26 September 2015**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
HSBC Bank plc (as Principal Paying Agent)  
Ambac Assurance UK Limited  
Standard & Poor's Rating Services  
Fitch Ratings Limited  
Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003, restated and amended on 15 September 2006 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

Definitions :

Q4	means the results for the Financial Quarter from 5 July 2015 to 26 September 2015 (12 weeks);
Relevant Period	means the last two Financial Quarters (24 weeks) and
Relevant Year	means the last four Financial Quarters (52 weeks)

## Principal Debt Movements

Q4 Principal Debt Movements on the Notes	Balance as at 4 July 2015 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 26 September 2015 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2,025.8	(15.6)		2,010.2
Class A1N Notes	163.1	(2.2)		160.9
Class A2 Notes	296.8	(4.2)		292.6
Class A3N Notes	\$341.5	\$(4.7)		\$336.8
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	157.0	(6.3)		150.7
Class B2 Notes	350.0			350.0
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q4 Principal Debt Movements on the Term Advance	Balance as at 4 July 2015 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 26 September 2015 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2,025.8	(15.6)		2,010.2
A1N Term Advance	163.1	(2.2)		160.9
A2 Term Advance	296.8	(4.2)		292.6
A3N Term Advance	203.9	(2.8)		201.1
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	157.0	(6.3)		150.7
B2 Term Advance	350.0			350.0
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 12 weeks comprising Q4 was £377.9m giving a total of £1,626.9m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £90.1m giving a total for the Relevant Year of £360.6m.

	<b>Q4 (12 weeks)</b>	<b>Relevant Period (24 weeks)</b>	<b>Relevant Year (52 weeks)</b>
	£m	£m	£m
Turnover	377.9	762.1	1,626.9
Operating expenses	(308.0)	(622.2)	(1,354.4)*
Operating Profit	69.9	139.9	272.5*
EBITDA	90.1	180.0	360.6
Free Cash Flow	85.7	154.5	300.1
Debt Service	(44.6)	(86.4)	(188.2)

\*Excludes £26.3m of exceptional movement comprising £4.1m profit on disposal of properties, £2.2m of impairment recognised on short leasehold and unlicensed properties where their carrying values exceed their recoverable amount and £28.2m charge arising from the Company's revaluation of its pub estate.

## Coverages and Covenants

Free Cashflow DSCR was 1.6 times and the EBITDA to Debt Service ratio was 1.9 times for the Relevant Year and 1.8 times and 2.1 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied. Net Worth as at 26 September 2015 was £1,754m and the Net Worth Covenant is therefore satisfied.

	<b>Q4 (12 weeks)</b>	<b>Relevant Period (24 weeks)</b>	<b>Relevant Year (52 weeks)</b>
Free Cash Flow : Debt Service	1.9 times	1.8 times	1.6 times
EBITDA : Debt Service	2.0 times	2.1 times	1.9 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

Restricted payments of £21.1m were made during Q4 and £34.6m during the Relevant Year. The Restricted Payment Maximum at 26 September 2015 was £38.7m and no calculation of the Further Restricted Payment Maximum was required.

## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* in the Relevant Year was £142.0m and the Relevant Period was £59.1m. The Required Maintenance Amount\* for the Financial Year is £92.0m.

Capital Enhancement Expenditure Investments of £0.1m were made in Q4, £4.0m in the Relevant Year and £0.5m in the Relevant Period.

\* Maintenance includes both capital items and items expensed through the Profit & Loss account.

## Cash Balances

Balances on the following accounts at 26 September 2015 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	36.2
Maintenance Reserve Account	0.0
All other Obligor Accounts*	213.3

\*includes £147.5m drawn under the Liquidity Facility and £18.47m held on deposit as cash collateral following the downgrade of a swap counterparty.

The amount available under the Liquidity Facility was £295m, of which £147.5m remains drawn following the downgrade of the facility provider's credit rating.

## Estate

	Number
Outlets at the beginning of Q4	1,424
Acquisitions and substitutions	0
Disposals	(1)
Outlets at the end of Q4	1,423

The aggregated proceeds from disposal in the quarter were £0.5m.

## Accounting Policies

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers Retail Limited accounting policies as detailed in its financial statements which comply with Generally Accepted Accounting Principles applied in the United Kingdom.

## Defaults

Mitchells & Butlers Retail Limited certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

For further information please contact:

<http://www.mbplc.com/investors/securitisationanddebtinformation/>

Andrew Vaughan – Group Treasurer

0121 498 4400

**QUARTERLY FINANCIAL INFORMATION**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**This Interim Investor Report covers the results for Mitchells & Butlers Retail Limited for the Financial Quarter from 12 April 2015 to 4 July 2015**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
HSBC Bank plc (as Principal Paying Agent)  
Ambac Assurance UK Limited  
Standard & Poor's Rating Services  
Fitch Ratings Limited  
Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003, restated and amended on 15 September 2006 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

Definitions :

Q3	means the results for the Financial Quarter from 12 April 2015 to 4 July 2015 (12 weeks);
Relevant Period	means the last two Financial Quarters (24 weeks) and
Relevant Year	means the last four Financial Quarters (52 weeks)

**Principal Debt Movements**

Q3 Principal Debt Movements on the Notes	Balance as at 11 April 2015 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 4 July 2015 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2,041.1	(15.3)		2,025.8
Class A1N Notes	165.3	(2.2)		163.1
Class A2 Notes	300.8	(4.0)		296.8
Class A3N Notes	\$346.2	\$(4.7)		\$341.5
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	163.3	(6.3)		157.0
Class B2 Notes	350.0			350.0
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q3 Principal Debt Movements on the Term Advance	Balance as at 11 April 2015 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 4 July 2015 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2,041.1	(15.3)		2,025.8
A1N Term Advance	165.3	(2.2)		163.1
A2 Term Advance	300.8	(4.0)		296.8
A3N Term Advance	206.7	(2.8)		203.9
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	163.3	(6.3)		157.0
B2 Term Advance	350.0			350.0
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 12 weeks comprising Q3 was £384.2m giving a total of £1,628.0m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £89.9m giving a total for the Relevant Year of £360.6m.

	<b>Q3 (12 weeks)</b>	<b>Relevant Period (24 weeks)</b>	<b>Relevant Year (52 weeks)</b>
	£m	£m	£m
Turnover	384.2	752.4	1,628.0
Operating expenses	(314.2)	(624.5)	(1,357.6)*
Operating Profit	70.0	127.9	270.4*
EBITDA	89.9	168.5	360.6
Free Cash Flow	68.7	127.8	286.6
Debt Service	(44.5)	(86.3)	(187.9)

\*Excludes £30.7m of exceptional movements in the valuation of the property portfolio.

## Coverages and Covenants

Free Cashflow DSCR was 1.5 times and the EBITDA to Debt Service ratio was 1.9 times for the Relevant Year and 1.5 times and 2.0 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied. Net Worth (at the last Financial Year end) was £1,675m and the Net Worth Covenant is therefore satisfied.

	<b>Q3 (12 weeks)</b>	<b>Relevant Period (24 weeks)</b>	<b>Relevant Year (52 weeks)</b>
Free Cash Flow : Debt Service	1.5 times	1.5 times	1.5 times
EBITDA : Debt Service	2.0 times	2.0 times	1.9 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

Restricted payments of £13.5m were made during Q3. The Restricted Payment Maximum at 4 July 2015 was £21.2m and no calculation of the Further Restricted Payment Maximum was required.

## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* at the end of Q3 was £114.8m. The Required Maintenance Amount\* for the Financial Year is £92.0m.

Capital Enhancement Expenditure Investments of £0.5m were made in Q3, £6.8m in the Relevant Year and £1.3m in the Relevant Period.

\* Maintenance includes both capital items and items expensed through the Profit & Loss account.

## Cash Balances

Balances on the following accounts at 4 July 2015 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	37.8
Maintenance Reserve Account	0.0
All other Obligor Accounts*	179.3

\*includes £147.5m drawn under the Liquidity Facility and £16.7m held on deposit as cash collateral following the downgrade of a swap counterparty

The amount available under the Liquidity Facility was £295m, of which £147.5m remains drawn following the downgrade of the facility provider's credit rating.

## Estate

	Number
Outlets at the beginning of Q3	1,424
Acquisitions and substitutions	0
Disposals	0
Outlets at the end of Q3	1,424

## Accounting Policies

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers Retail Limited accounting policies as detailed in its financial statements which comply with Generally Accepted Accounting Principles applied in the United Kingdom.

## Defaults

Mitchells & Butlers Retail Limited certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

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